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Description of the Notes	Common code/ISIN	Outstanding principal amount on launch of the Tender Offer	Notes Accepted for Purchase	Purchase Price	Outstanding principal amount following settlement of the Tender Offer
U.S.\$500,000- ,000 7.75 per cent. Loan Participation Notes due 2018	058521159/U.S. XS0585211591	U.S.\$500,000,000	U.S.\$91,180,000 in aggregate principal amount of Notes	U.S.\$1,032.50 per U.S.\$1,000 in principal amount	U.S.\$408,820,000

All the Notes accepted for purchase have been accepted in full without pro-rata. The Offeror will also pay the Accrued Interest Amount in respect of all Notes accepted for purchase. The expected Settlement Date for the Tender Offer is 13 November 2015. Contact Details: THE JOINT DEALER MANAGERS Citigroup Global Markets Limited Citigroup Centre, Canada Square London E14 5LB United Kingdom Attention: Liability Management Group Telephone: +44 20 7986 8969 Email: liabilitymanagement.europe@citi.com J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP Telephone: +44 20 7134 2468 Attention: Liability Management Email: em\_europe\_lm@jpmorgan.com THE TENDER AGENT

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THE OFFEROR TMK Capital S.A. 2. Boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg THE BORROWER PAO TMK 40, Bld. 2A, Pokrovka Street, 105062 Moscow, Russian Federation OFFER RESTRICTIONS THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. United States The Tender Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to, or for the account of benefit of, any U.S. person. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this Announcement and/or the Tender Offer Memorandum and any other documents or materials relating to the Tender Offer is not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to, or for the account of benefit of, a U.S. Person and the Notes cannot be tendered in the Tender Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person or any

person acting for the account or benefit of a U.S. Person. Any purported tender of Notes in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States, a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted. Each holder of Notes participating in the Tender Offer will represent that it is not a U.S. Person, is not located in the United States and is not participating in the Tender Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Tender Offer from the United States and who is not a U.S. Person.

**United Kingdom** The communication of this Announcement and/or the Tender Offer Memorandum and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the 'FSMA'). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) persons who have professional experience in matters relating to investments, being investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'FPO'); (2) persons who fall within Article 49 of the FPO ('high net worth companies, unincorporated associations etc.');

**France** The Tender Offer is not being made, directly or indirectly, to the public in the Republic of France ('France'). Neither this Announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Tender Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés) other than individuals acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code Monétaire et Financier, are eligible to participate in the Tender Offer. This Announcement, the Tender Offer Memorandum and any other document or material relating to the Tender Offer has not been and will not be submitted for clearance to nor approved by the Autorité des marchés financiers.

**Italy** None of the Tender Offer, this Announcement, the Tender Offer Memorandum or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ('CONSOB') pursuant to Italian laws and regulations. The Tender Offer is being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the 'Financial Services Act') and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Qualifying Holders can tender some or all of their Notes pursuant to the Tender Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Tender Offer.

**Russia** Neither this Announcement, nor Tender Offer Memorandum nor information contained therein nor any other document or materials relating to the Tender Offer is an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this Announcement, or Tender Offer Memorandum, or any other document or materials relating to the Tender Offer is not intended for any persons in the Russian Federation who are not 'qualified investors' within the meaning of Article 51.2 of Federal Law No. 39-FZ 'On the Securities Market' dated 22 April 1996, as amended (the 'Russian QIs') and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law.

**Grand Duchy of Luxembourg** Neither this Announcement nor the Tender Offer Memorandum has not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (Commission de Surveillance du Secteur Financier) for purposes of a public offering or sale in the Grand Duchy of Luxembourg. Accordingly, the Tender Offer may not be made to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Announcement nor Tender Offer Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed or otherwise made available in or from, or published in, the Grand Duchy of Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with Luxembourg law of 10 July 2005 (as amended) on prospectuses for securities.

**General** Neither this Announcement nor the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Tender Offer will not be accepted from Qualifying Holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Tender Offer to be made by a licensed broker or dealer and the Joint Dealer Managers or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the Tender Offer shall be deemed to be made by the Joint Dealer Managers or such affiliate, as the case may be, on behalf of the Offeror in such jurisdiction.

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